



ACKERMAN  
CAPITAL MANAGEMENT

# Quarterly Valuation & Trend Report

*Quarter Ending*

June 30, 2025

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# CHART EXPLANATION GUIDE

***Color indicates overall attractiveness based on our proprietary combination of relative valuations and price trends.***



Ackerman Capital Management uses a combination of proprietary valuation and price metrics to dynamically adjust exposure among and within the two major asset classes. Both valuation and price trends are evaluated on a relative basis versus the asset class benchmark and are scaled from 0 to 10, with 10 being the highest score. In our portfolios, we emphasize funds which have attractive relative valuations and the strongest and most consistent relative price strength (top right quadrant) and de-emphasize funds with unattractive relative valuations and weak relative price trends (bottom left quadrant). Because investor sentiment can drive the price of risk assets to extremes, our equity model places greater weight on relative price trends than valuation. As such, we may overweight equity funds that are relatively expensive, but continue to display relative price strength (bottom right quadrant). In contrast, our fixed income model places the greatest emphasis on valuation. As such, we may overweight fixed income funds with attractive valuations and but poor relative price trends (top left quadrant).

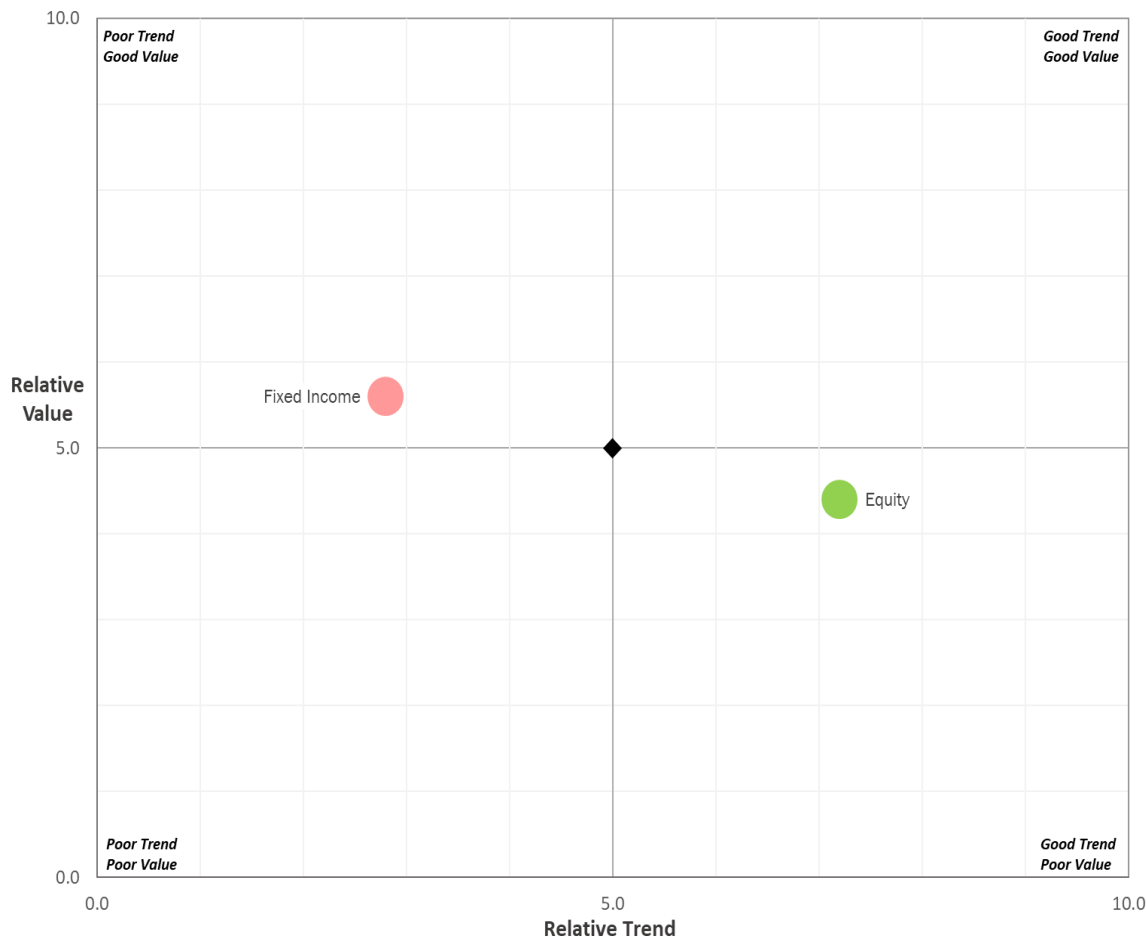


The datapoints in each chart are also coded, as shown below, to highlight their attractiveness based on our combined relative valuation and relative trend analysis.

-  MOST ATTRACTIVE
-  ATTRACTIVE
-  NEUTRAL
-  UNATTRACTIVE
-  LEAST ATTRACTIVE

# EQUITY vs. FIXED INCOME

*Global stocks enjoyed a strong second quarter and recorded new all-time highs as the Trump administration moderated its initial tariff plans. Bond prices were generally flat.*

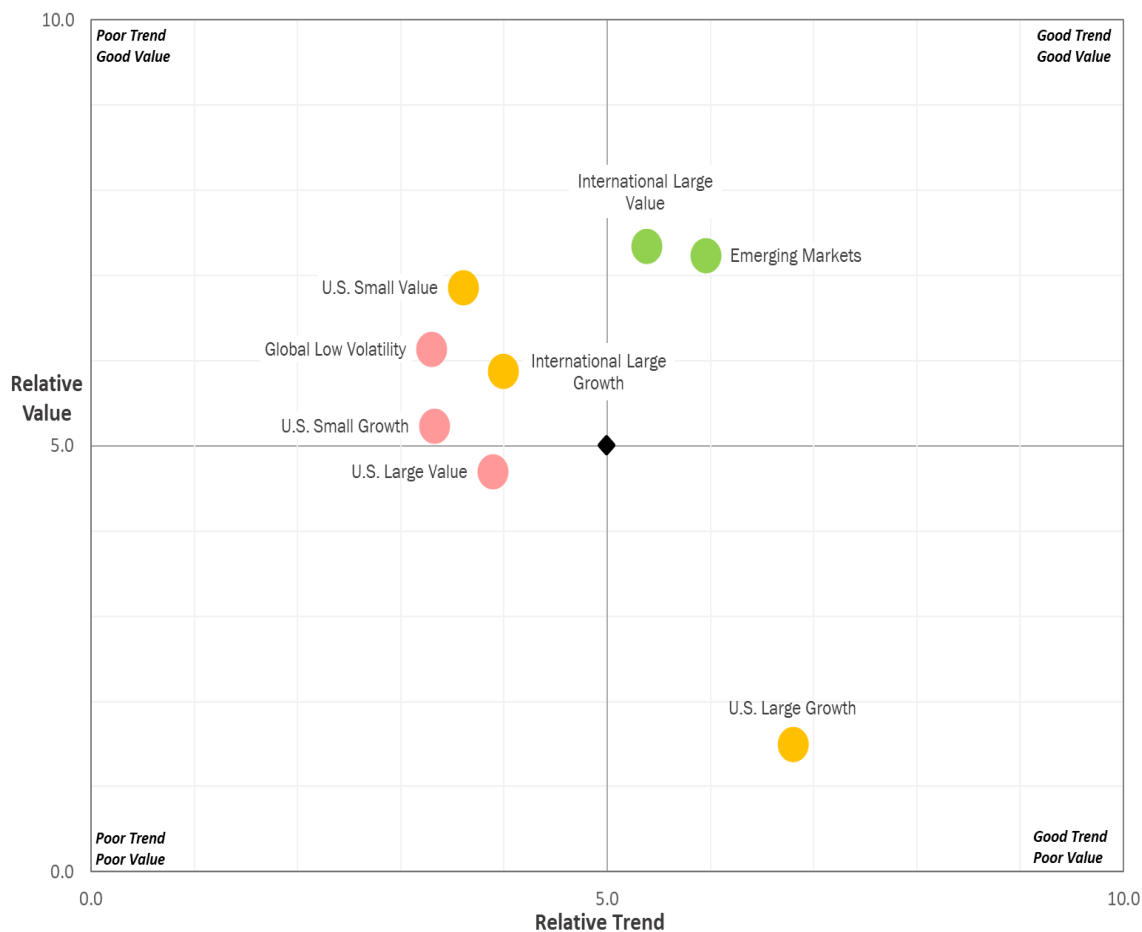


- Global equities began the quarter with a sharp decline on the announcement of Trump's initial aggressive tariff policy, but rallied after the administration began to walk it back a week later. The S&P 500 rallied 10.5% on April 9th, its third-largest one-day gain since 1950. The U.S. and international markets continued to rise thereafter as the ACWI Index of global stocks returned 11.3% in the quarter.
- Interest rates have been in a volatile trading range between 4.0% and 4.6% over the past few months. U.S. Aggregate Bonds returned 1.3% in the quarter, bringing their year-to-date return to a respectable 4.0%. However, municipal bonds were flat and remain down 0.6% on the year.
- The recent rally in global stocks to new all-time highs has reduced their relative valuation to bonds to below historical norms. However, their overvaluation is far from extreme, and their relative price momentum is strongly favorable.
- Our portfolios, generally speaking, are moderately overweight stocks relative to respective asset allocation targets. We added significant equity exposure on April 8th, one day before the market's explosive one-day rally, rebalanced back to targets shortly thereafter, and have since let our allocations rise with the market.

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# EQUITY

***Global stock prices rallied sharply from the April 8<sup>th</sup> low, notching new record highs and finishing the quarter up 10.3% on the year. Can Large U.S Growth stocks regain their market leadership?***

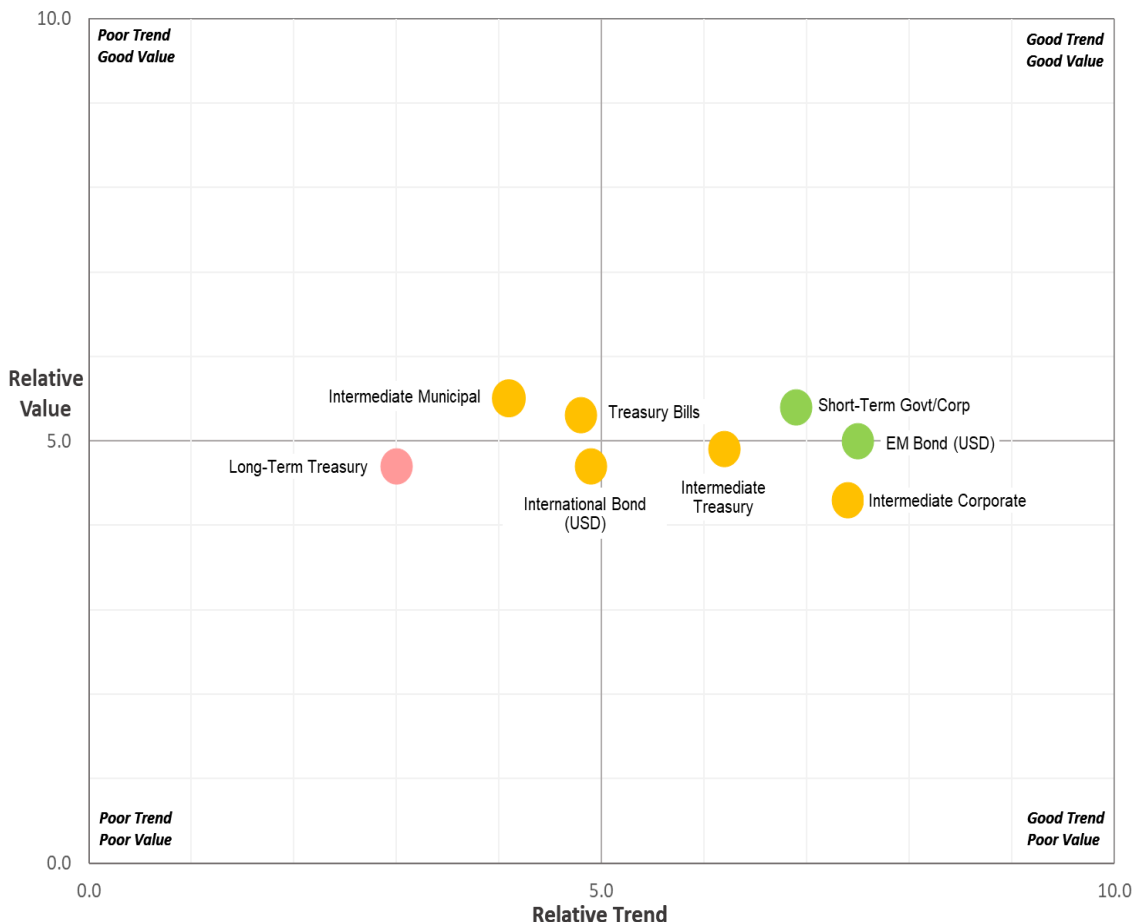


- Global stock prices corrected more than 15% from February 18th to April 8<sup>th</sup> but rallied 25% to end the quarter at new highs, up 10.3% on the year.
- Large U.S. growth stocks led the rally off the bottom, but international and emerging market stocks did not lag far behind, and remain the best performers in 2025. However, their relative price performance has merely rallied back to downward-sloping long-term trend lines. Time will tell if this is an impressive countertrend rally or the beginning of a more secular paradigm shift away from U.S. stocks.
- Large U.S. growth stocks continue to be our largest holding, in line with global stock indices. However, our allocation to U.S. stocks has fallen below 60% in our models in favor of International Value and Emerging Market stocks over U.S. Value stocks.
- Most professionally managed portfolios remain overly weighted toward U.S. equities and have trailed global indices this year. Our value/trend approach has enabled our portfolios to keep pace. If international stocks confirm their market leadership in the coming quarters, we will lean into them more aggressively.

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# FIXED INCOME

*Long-term interest rates have been volatile in recent months, but remained in a range of 4.0% to 4.6%. The market has favored intermediate maturities and corporates over treasuries.*



- The global economy has maintained steady growth, while inflation expectations remain in check. As a result, interest rates have trended sideways despite volatility. A move above 4.6% or below 4.0% will be a significant signal for the direction of rates in the long term.
- Intermediate maturities have performed well this year, and corporates continue to outperform treasuries with no signs of a significant economic slowdown. However, credit spreads are well below historical averages.
- Because our bond models are more value-driven, we continue to favor short and intermediate U.S. Treasuries as well as top-performing emerging market bonds.
- We continue to hedge our foreign bond currency exposure. However, we doubt this will be the case for long, given our longer-term bearish outlook for the U.S. dollar.
- Municipal bonds have performed poorly this year, but as a result, now offer historically high taxable-equivalent yields. Relative performance should improve going forward.

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# CONTACT INFORMATION

*Please contact us with questions regarding this quarterly analysis or service needs you may have regarding any of your accounts.*



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